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Approved For Release 2007/05/23: CIA-RDP83M00914R001200100002-0 The Director of Central Intelligence

Washington, D. C. 20505

Executive Sections | 82 - 3469

30 June 1982

MEMORANDUM FOR:

The Honorable William P. Clark Assistant to the President for

National Security Affairs

SUBJECT:

Soviet Gas Turbines

- 1. The front-page story in the <u>Washington Post</u> this morning indicates that the present decision to maintain sanctions has caused the Soviets to undertake a program to build their own turbines and that this will deprive Western turbine manufacturers of a large amount of business over the next several years.
- 2. The truth is that the Soviets, in 1980, launched a major project to expand production of turbines. Their announcement showed that making their own turbines will cause resources and expertise to be taken away from the shipbuilding and aircraft industries.
- 3. A recent edition of <u>Pravda</u> announced that the testing of the new turbine in the Soviet Union has just begun. Our experts say that the program has run into technical difficulties but is nonetheless going forward.
- 4. Also according to our experts, the Russians have never seriously considered purchase of 130 compressor stations for domestic pipelines from the Europeans. European executives should not have had any reason to expect this business.
- 5. This suggests that the story in today's <u>Post</u> is designed to put pressure on the US by exaggerating the damage our <u>policies</u> will cause the European business community.

William J. Casey

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